

their debt crises in time to avoid brutal austerity measures which have caused widespread civil disorder in those countries. The politicians in Greece and Portugal thought they could avoid making the tough decisions that were clearly laid out before them. They thought they could make it through just one more quarter or just past one more legislative session, or maybe they could just buy themselves enough time to let the next guys handle it. We cannot continue to operate under the same delusions.

The Cut, Cap, and Balance Act avoids a crippling default and sets us on a path to fiscal solvency by making real spending cuts now, placing statutory limits on spending, and sending a balanced budget amendment to the States, a measure that so many of us have so consistently supported. These decisions, Mr. Speaker, will not be easy. No change ever is. As these debates have gone on for the past several months, I have been reminded of Thomas Paine when he wrote: "If there must be trouble, let it be in my day, that my children may have peace." We need to decide what our legacy to our children and their children will be—a mountain of debt or a sound government that lives within its means.

GETTING A HANDLE ON DEBT

The SPEAKER pro tempore. The Chair recognizes the gentleman from Texas (Mr. CARTER) for 5 minutes.

Mr. CARTER. Six months ago, a small businessman was called into a financial lending institution and asked to come in and talk to the officer in charge. He went into that office and the officer in charge told him, You have been a customer of this organization for quite a few years and we have constantly been giving you a line of credit every summer to continue your operation for the next year.

This year our examiners have noted for us and also through our board of directors we've examined your operation and your borrowing patterns. Here's what we've discovered: We've discovered that where you had a going facility and you were doing well and you were employing people and things were going well, we've started to see a trend in your business to where you are increasing your debt more and more and more. Not only were you spending our line of credit that this bank lent to you to continue your operations throughout the year, but outside of that line of credit, you were accumulating many, many, many credit cards. And now at this point in time, it is our understanding and the way we look at it is not only are you using our line of credit that we gave you but you also have maxed out every credit card you have got, and, quite honestly, we are amazed at the number of credit cards you actually have. We didn't really know anybody could have that many credit cards.

So we're just going to warn you, if you don't change the direction of the

way you're operating your business, we very clearly believe that your business is going to go bankrupt. But even more importantly to this institution, this lending institution, we're concerned about the fact that our institution is going to be placed in a very tenuous position on any loans that we make to you; therefore, our position right now is that when you come to us next August, we're not going to lend you the money for your line of credit.

Yesterday, this same businessman walked into that same lending institution and said, My accountant and I have done the same analysis that you've done on the situation of our operation. We've looked at it, and we actually agree that we have gone in the wrong direction now for many, many years and we have spent more than we've made for many, many years. And we, quite frankly, got away from doing the needs of our company to doing the wants of our company.

Therefore, we are seriously in debt. I want to start off by saying I recognize that. And when you gave us our wake-up call, we sat down and analyzed what we could do to show you that we are changing the direction of our business. And here's what we propose to you:

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First, we propose to you that, this year, here are the reductions we're going to make on our credit cards, and here are the places where we're going to cut back on the way we spend. That's for this year.

Now, we've also analyzed every section in the departments of our business, and we have determined that we're way over what we really need to function as a prosperous business, so we're going to offer to you that our business plan over the next 10 years is to put a ceiling on every department and every part of our business operation so that we will never rise above that ceiling; therefore, we will be continually reducing the level of our spending over the next 10 years.

Then, finally, we are making a pledge to you of everything not encumbered in our business that we will balance our budget, that we will prepare a budget and balance that budget every year and that, if at any time it doesn't, then immediately you will call every note we have.

This is a parable, but it's also the reality in the United States of America today for everybody but the Federal Government. That's why, today, the Republicans will offer that same plan of Cut, Cap, and Balance.

CUT SPENDING, CAP SPENDING, AND BALANCE THE BUDGET

The SPEAKER pro tempore. The Chair recognizes the gentleman from Illinois (Mr. SCHILLING) for 5 minutes.

Mr. SCHILLING. Mr. Speaker, today we have an opportunity to take action and promote certainty in both our economy and the markets by passing

H.R. 2560, the Cut, Cap, and Balance Act of 2012.

Moody's and Standard & Poor's have warned the United States that our AAA credit rating is at risk if President Obama does not raise the debt ceiling by August 2. By passing Cut, Cap, and Balance, we can respond with confidence, create economic certainty, get our spending under control, and put America back to work.

Mr. Speaker, 6½ months ago, I left life as a small business man, and have had the honor of representing the constituents of the 17th Congressional District of Illinois. I come to the floor this morning with some observations about where we've made progress and where we've met frustration. During this time, we have seen tangible results.

This Congress repealed the onerous 1099 tax provision, which prevents our job creators from being bogged down in a nightmare of paperwork. This Congress cleaned up the mess left by last year's Congress by cutting billions in spending. This House has cut its own office budgets by 5 percent, saving taxpayers \$35 million, and later this week, we'll cut our office budgets by another 6.4 percent. Most importantly, this House of Representatives fulfilled its responsibility by passing a budget. This budget cuts trillions of dollars in spending, but more importantly, it puts forth a plan to save Medicare instead of letting it go insolvent.

As a new Member of this House, there has also been frustration with the process. Our national debt is \$14.3 trillion. Each child born today, including my new granddaughter, Reagan, already owes \$46,000 as their share of the national debt. Yet there are some Members of this body—97 to be exact—who wanted to give President Obama the authority to raise the debt limit by \$2.4 trillion with no questions asked.

Congress has raised the debt ceiling 51 times since 1978, and look where we are today. How can we see these next 2 weeks as anything but an opportunity to put our great country on a better fiscal path?

I did not come here to get my name on a wall plaque. I came here so that when my newly born granddaughter, Reagan, asks me, "Grandpa, what did you do to help fix this country?" I'll be able to tell her that I was part of a class that changed the focus of this town from bloated spending to spending cuts. I'll be able to tell her that, today, we took a vote on legislation that does three very important things:

It cuts spending. It promotes spending caps to 19.9 percent of GDP by 2021. It makes the raising of the debt ceiling contingent upon a balanced budget amendment.

We are only 2 weeks away from the deadline set by Mr. Geithner, but we've seen no plan from this administration or the Democrats in the House. Let me repeat that we have seen no plan from the administration or the Democrats in this House. We all know it's easier to criticize than to offer a plan of your